

FISCAL NOTE
SB 3024 - HB 3386

March 30, 2006

SUMMARY OF BILL: Prohibits a health insurance entity or a third party administrator from reimbursing physicians, other health care providers, professional corporations, or professional limited liability companies that provided covered services to insureds on a discounted fee basis unless certain criteria are met.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$140,000 Recurring
\$7,400 One-Time

A more precise cost estimate is not possible because the TennCare Bureau has not provided any information to assist in the preparation of this fiscal note.

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will not have a significant impact on the cost of health insurance premiums because several of the major health insurance policies have provider networks to determine reimbursement for health care providers.

Assumptions:

- The Department of Commerce and Insurance will be responsible for the administration and enforcement which includes determining actual damages when a violation occurs.
- The Department will need an attorney for the promulgation of rules, determination of actual damages and case management and one administrative services assistant to handle incoming complaint calls and letters. The additional positions are estimated to increase recurring expenditures by \$139,983 and \$7,400 in one-time expenditures.
- There will not be a significant fiscal impact to the state and local govt. health plans.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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